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# NATURE OF THE ACTION

1. NU seeks a judicial declaration pursuant to 28 U.S.C. § 2201(a) that Nationwide has an obligation to indemnify Rubio's Restaurant, Inc. ("Rubio's") as an additional insured under the Nationwide primary policy no. 77PR664039-3003

1	and Nationwide umbrella policy no. 77-CU-664-039-3001 issued to Alfa
	International Seafood, Inc. ("Alfa") for the case filed in San Diego Superior Court
3	by Timothy and Tracie Sayre, case no. 37-2009-0084537-CU-PL-CTL (the "Sayre
4	Lawsuit") if judgment is entered against Rubio's and Alfa, and that Nationwide's
5	obligation to indemnify Rubio's arises prior to any obligation to indemnify (if
6	there is any such an obligation) under the policies issued to Rubio's by Fireman's
7	Fund (primary policy no. MZX 80892937) and NU (umbrella policy no.
8	BE7440227).

# **PARTIES AND VENUE**

- 2. Plaintiff National Union Fire Insurance Company of Pittsburgh, Pa. is, and was at all times material to this action, a corporation domiciled in the state of Pennsylvania and with its principal place of business in the state of New York.
- 3. Upon information and belief, defendant Nationwide Mutual Fire Insurance Company is and was at all times material to this action, a corporation domiciled in the state of Ohio with its principal place of business in the state of Ohio.
- 4. Upon information and belief, defendant Nationwide Mutual Insurance Company is and was at all times material to this action, a corporation domiciled in the state of Ohio with its principal place of business in the state of Ohio. Upon information and belief, Nationwide Mutual Fire Insurance Company and Nationwide Mutual Insurance Company are affiliated companies.
- 5. Upon information and belief, defendant Fireman's Fund Insurance Company is and was all times material to this action, a corporation domiciled in the state of California with its principal place of business in the state of California.
- 6. This court has jurisdiction over this matter pursuant to the court's diversity jurisdiction under 28 U.S.C. § 1332. The amount in controversy exceeds the jurisdictional limits of this court.
  - 7. Venue is proper because this dispute arises out of an event that

occurred in the Southern District of California and arises because of a lawsuit filed in San Diego County in the Southern District.

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# THE UNDERLYING CLAIM

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- 8. Rubio's Restaurant, Inc. is a corporation domiciled in the state of Delaware with restaurants in many locations in the western states including San Diego, California.
- On or about November 11, 2008, Timothy Sayre allegedly ate a fish 9. burrito purchased from Rubio's which was made from mahi-mahi fish. As a result of Mr. Sayre's ingestion of the fish burrito, Mr. Sayre allegedly suffered severe neurological injuries which have necessitated medical care and may have caused him permanent or long lasting injury.
  - 10. The mahi-mahi fish was allegedly supplied to Rubio's by Alfa.
- 11. Mr. Sayre and his wife filed a complaint against Rubio's in San Diego County Superior Court, case no. 37-2009-0084537-CU-PL-CTL on March 4, 2009, asserting one cause of action for products liability. The Sayres filed an amended complaint alleging that Alfa was the supplier of the mahi-mahi fish consumed by Mr. Sayre. The Sayres allege general damages, including loss of earning capacity and loss of consortium. The Sayres allege their damages exceed \$7 million.
- 12. Rubio's cross-complained against Alfa on the grounds that Alfa supplied Rubio's with the mahi-mahi fish allegedly consumed by Mr. Sayre and therefore Alfa is liable for any damages suffered by the Sayres.
- Upon information and belief, Alfa tendered the Sayre Lawsuit to its 13. insurer, Nationwide. Upon information and belief, Nationwide is presently defending Alfa without a reservation of rights.
- 14. Rubio's tendered defense and indemnification of the Sayre Lawsuit to its primary insurer Fireman's Fund and its umbrella insurer NU.
- Upon information and belief, Fireman's Fund is presently defending 15. Rubio's against the Sayre Lawsuit.

1	insurance is also primary. Then, we will share with all that other insurance by the method described in					
2	Paragraph c. below.					
3	b. Excess Insurance					
4	(1) This insurance is excess over:					
5	(b) Any other primary insurance available to you covering liability for damages arising out of					
6	the premises or operations, or the products and completed operations, for which you have been					
7	added as an additional insured by attachment of an endorsement.					
8	(3) When this insurance is excess over other					
9	insurance, we will pay only our share of the amount of the loss, if any, that exceeds the					
10	sum of:					
11	(a) The total amount that all such other					
12	insurance would pay for the loss in the absence of this insurance					
13	22. Rubio's also was issued National Union Commercial Umbrella					
14	Liability Policy, no. BE7440227, for the policy period July 21, 2008 to July 21,					
15	2009 ("NU Umbrella Policy"). The Schedule of Underlying Insurance in the NU					
16	Umbrella Policy lists that the underlying general liability policy is the Fireman's					
17	Fund Policy.					
18	23. The NU Umbrella Policy contains the following provisions and others					
19	that may apply to this claim. The NU Umbrella Policy provides that:					
20	I. INSURING AGREEMENT – COMMERCIAL					
21	UMBRELLA LIABILITY					
22	A. We will pay on behalf of the <b>Insured</b> those sums in excess of the <b>Retained Limit</b> that the <b>Insured</b>					
23	becomes legally obligated to pay as damages by reason of liability imposed by law because of <b>Bodily</b>					
24	Injury, Property Damage or Personal Injury and Advertising Injury to which this insurance applies or					
25	because of <b>Bodily Injury</b> or <b>Property Damage</b> to which this insurance applies assumed by the <b>Insured</b>					
26	under an <b>Insured Contract</b> .					
27	B. This policy applies, only if:					
28	b. This policy applies, only it.					
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1		1. the <b>Bodily Injury</b> or <b>Property Damage</b> is caused by an <b>Occurrence</b> that takes place anywhere, and
2		the <b>Bodily Injury</b> or <b>Property Damage</b> occurs during the <b>Policy Period</b> ;
3	24.	Exclusions in the NU Umbrella Policy are amended by Endorsement
4	11, the "Bac	cteria Exclusion Endorsement" which provides that:
5		This insurance does not apply to:
6		
7		<b>Bodily Injury</b> , <b>Property Damage</b> or <b>Personal Injury and Advertising Injury</b> or any other loss, injury, damage, cost or expense, including, but not limited to, losses, costs or expenses
8		related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused
9		directly or indirectly, in whole or in part, by bacteria.
10		This exclusion applies regardless of any other cause, event, material, product and/or building component that contributed
11		concurrently or in any sequence to that loss, injury, damage, cost or expense.
12	25.	Exclusions in the NU Umbrella Policy are also amended by
13	Endorseme	nt 6, which provides that:
14		reconstruction for the second
15		This insurance does not apply to Commercial General Liability.
16		However, if insurance for Commercial General Liability is provided by a policy listed in <b>Scheduled Underlying Insurance</b> :
17		
18		1. This exclusion shall not apply; and
19		2. Coverage under this policy will follow the terms, definitions, conditions, and exclusions of <b>Scheduled</b>
20		<b>Underlying Insurance</b> , subject to the <b>Policy Period</b> , Limits of Insurance, premium and all other terms, definitions,
21		conditions and exclusions of this policy. Provided, however, that coverage provided by this policy will be no broader than the coverage provided by <b>Scheduled Underlying</b>
22		the coverage provided by <b>Scheduled Underlying Insurance</b> .
23		
24	26.	Under "Limits of Insurance," the NU Umbrella Policy provides:
25		M. We will not make any payment under this policy unless and until:
26		1. The total applicable limits of the <b>Scheduled Underlying</b>
27		<b>Insurance</b> have been exhausted by the payment of <b>Loss</b> to which this policy applies and any applicable, <b>Other</b>
28		to which this policy applies and any applicable, Other

1		<b>Insurance</b> have been exhausted by the payment of <b>Loss</b> .					
2		• •					
3	27.	The NU Umbrella Policy further provides that:					
4		L. Other Insurance					
5							
6		If other valid and collectible insurance applies to damages that are also covered by this policy, this policy will apply excess of					
7		are also covered by this policy, this policy will apply excess of the <b>Other Insurance</b> . However, this provision will not apply if the <b>Other Insurance</b> is specifically written to be excess of this policy.					
8	28.	The NU Umbrella Policy defines "Scheduled Underlying Insurance"					
9	as follows:						
10		1. the policy or policies of insurance and limits of insurance shown in the Schedule of Underlying Insurance forming					
11		shown in the Schedule of Underlying Insurance forming a part of this policy					
12		Scheduled Underlying Insurance does not include a policy of					
13		insurance specifically purchased to be excess of this policy affording coverage that this policy also affords.					
14	29.	The NU Umbrella Policy defines "Other Insurance" as:					
15 16		Other Insurance means a valid and collectible policy of insurance providing coverage for damages covered in whole or in part by this policy.					
17		However, <b>Other Insurance</b> does not include <b>Scheduled</b>					
18		Underlying Insurance, the Self-Insured Retention, or any policy of insurance specifically purchased to be excess of this policy affording coverage that this policy also affords.					
19							
20	20	ALFA'S INSURANCE POLICIES					
21	30.	Alfa was issued a primary Blanket Protector Commercial General					
22	Liability policy, no. 77PR664039-3003 by Nationwide Mutual Fire Insurance						
23	Company for the policy period July 14, 2008 to July 14, 2009 ("Nationwide						
24	Primary Policy").						
25	31.	The Nationwide Primary Policy contains the following provisions as					
26	well as others that may apply to this claim. The Nationwide Primary Policy						
27	provides:						
28	1. Insuring Agreement						
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- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of **bodily injury** or **property damage** to which this insurance applies. We will have the right and duty to defend the insured against any **suit** seeking those damages. . .
- The Nationwide Primary Policy contains an "Additional Insured Vendors" Endorsement, form CG 20 15 07 04, which has a Schedule listing "Rubio's Restaurant Inc. DBA Rubios Fresh Mexican Grill" as an additional insured, and "Fish and Seafood" as "Your Product," and provides:
  - A. **SECTION II Who is An Insured** is amended to include as an additional insured any person(s) or organization(s) (referred to below as vendor) shown in the Schedule, but only with respect to "bodily injury" or "property damage" arising out of "your products" shown in the Schedule which are distributed or sold in the regular course of the vendor's business, subject to the following additional evaluations. business, subject to the following additional exclusions. . .
- None of the exclusions under the "Additional Insured Vendors" endorsement are applicable to the Sayres' claims.
- No exclusion in the Nationwide Primary Policy, including the Fungi or Bacteria exclusion by endorsement form CG 21 67 12 04, is applicable to the
- Under the conditions section, the Nationwide Primary Policy contains an "Other Insurance" provision which provides that:

### Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

# **Primary Insurance**

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

Alfa also was issued a commercial umbrella policy from Nationwide Mutual Insurance Company, no. 77-CU-664-039-3001, for the policy period July

	1						
1	14, 2008 to July 14, 2009 ("Nationwide Umbrella Policy"). The Schedule of						
2	Underlying Insurance lists the underlying insurance as the Nationwide Primary						
3	Policy.						
4	37.	The Nationwide Umbrella Policy contains the following provisions as					
5	well as others that may apply to this claim. The Nationwide Umbrella Policy						
6	provides:  I. COVERAGE						
7 8		We will pay on behalf of the insured the ultimate net loss in					
9		excess of the <u>underlying limit</u> or the <u>retained limit</u> , whichever is greater, because of <u>bodily injury</u> , <u>property damage</u> , <u>personal injury</u> or <u>advertising injury</u> to which this policy applies caused					
10		by an <u>occurrence</u> , except that in a jurisdiction where <u>we</u> may be prevented by law or otherwise from carrying out this agreement that <u>we</u> will pay on behalf of the <u>insured</u> , <u>we</u> will indemnify the					
11		that <u>we</u> will pay on behalf of the <u>insured</u> , <u>we</u> will indemnify the <u>insured</u> in accordance with this agreement.					
12	38.	The Nationwide Umbrella Policy also defines under the "Section V -					
13	Persons Insured" provision, that an insured includes:						
14   15		F. Anyone else who is an <u>insured</u> under any policy of <u>underlying insurance</u> but only to the extent insurance is					
16		underlying insurance but only to the extent insurance is provided by that policy and subject to all its limitations, other than the limits of that insurance.					
17	39.	The Nationwide Umbrella Policy defines "insured" as "any person of					
18	organization	n qualifying as an insured in Item V"					
19	40.	The Nationwide Umbrella Policy further provides:					
20		G. Other Insurance					
21   22		The insurance provided by [t]his policy is excess over any other collectible insurance, whether listed on the					
23		Declarations or not. This does not apply to insurance written as excess to <u>our</u> limit of insurance.					
24	41.	No exclusion in the Nationwide Umbrella Policy is applicable to the					
25	Sayres' claims.						
26		FIRST CAUSE OF ACTION  Declaratory Relief					
27	(Priority of Coverage/Nationwide Owes Duty to Indemnify Prior to any Duty to Indemnify (if any) Under Fireman's Fund or NU Policies)						
28	42.	NU hereby realleges and incorporates by reference paragraphs 1					
	1	*					

through 41, inclusive, as though set forth in full here.

43.

indemnify it against the Sayre Lawsuit.

44. Nationwide contends it has no duty to indemnify Rubio's under the Nationwide Primary Policy or Nationwide Umbrella Policy on the basis (but not

Rubio's requested that Fireman's Fund, NU, and Nationwide

- necessarily limited to) that Rubio's has not shown Mr. Sayre's injuries were caused by Alfa's products.
- 45. Alfa allegedly supplied the fish in the burrito that Mr. Sayre consumed. The fish is the alleged cause of Mr. Sayre's injuries, damages, and losses. If Alfa and Rubio are found liable to the Sayres, they may be adjudged liable to pay damages to the Sayres. Those damages are covered by the Nationwide Primary Policy and Nationwide Umbrella Policy.
  - 46. Nationwide owes a duty to indemnify Rubio's for the Sayre Lawsuit.
- 47. The Nationwide Primary Policy and Nationwide Umbrella Policy have a duty to indemnify before there is any duty to indemnify under the Fireman's Fund Policy and the NU Umbrella Policy (if there is any duty to indemnify under the NU Umbrella Policy).
- 48. The Fireman's Fund Policy provides that it is excess insurance over other primary insurance available to Rubio's for liability for damages arising out of products for which Rubio's has been added as an additional insured by endorsement. The Nationwide Primary Policy is "other primary insurance" available to Rubio's because Rubio's has been expressly added as an additional insured to the Nationwide Primary Policy by the "Additional Insured Vendors" Endorsement. Thus, Nationwide's indemnity obligations under the Nationwide Primary Policy apply first. The Nationwide Umbrella Policy also provides that anyone who is an insured under the Nationwide Primary Policy qualifies as an insured under the Nationwide Umbrella Policy making Rubio's an insured under the Nationwide Umbrella Policy as well.

SS 44 (Rev. 12/07)

### **CIVIL COVER SHEET**

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

			<del></del>					
I. (a) PLAINTIFFS				DEFENDANTS	5			
National Union Fire Ins	urance Company of F	Pittsburgh, Pa.		Nationwide Mu Fireman's Fun			onwide Mutual Ins.	Co.,
(b) County of Residence	of First Listed Plaintiff	Pennsylvania		County of Residence	of First Liste	d Defendant	Franklin City, Ohio	_ o
	EXCEPT IN U.S. PLAINTIFF CA					LAINTIFF CASES (	<del></del>	
			İ	NOTE: IN LA	· ·		SE THE LOCATION OF TH	E
					O INVOLVED.	,		
(c) Attorney's (Firm Nam	e, Address, and Telephone Numb	er)	}	Attorneys (If Known)				
Gordon & Rees LLP, 23	75 Battery Street, 20t	h Floor,			'1'	1 CV0755 B	BEN RBB	
San Francisco, CA 941	11, (415) 986-5900	·	<b>13</b>					
II. BASIS OF JURISI		in One Box Only)	III. CI	For Diversity Cases Only		AL PARTIES	(Place an "X" in One Box for and One Box for Defendar	
☐ 1 U.S. Government	3 Federal Question		•		PTF DEF		PTF	DEF
Plaintiff	(U.S. Government	Not a Party)	Citize	of This State	01 01	Incorporated or Pri of Business In This		<b>1</b> 4
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Defendant	•	ip of Parties in Item III)				of Business In A		
	<b>(</b>	,		•	O 3 O 3	Foreign Nation	□ 6	<b>6</b>
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130 Miller Act	315 Airplane Product	Med. Malpractice		Drug Related Seizure	28 U	SC 157	430 Banks and Banking	3
140 Negotiable Instrument	Liability	365 Personal Injury -	G 620	of Property 21 USC 881		DAY DICHTS	450 Commerce	
150 Recovery of Overpayment & Enforcement of Judgment		Product Liability  368 Asbestos Personal		Liquor Laws R.R. & Truck	□ 820 Copy	RTY RIGHTS	<ul> <li>460 Deportation</li> <li>470 Racketeer Influence</li> </ul>	ed and
☐ 151 Medicare Act	330 Federal Employers'	Injury Product		Airline Regs.	☐ 830 Pater		Corrupt Organization	
☐ 152 Recovery of Defaulted	Liability	Liability		Occupational	☐ 840 Trad	emark	☐ 480 Consumer Credit	
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☐ 153 Recovery of Overpayment		370 Other Fraud 371 Truth in Lending	U 090	LABOR	SOCIAL	SECURITY	850 Securities/Commod	dities/
of Veteran's Benefits	☐ 350 Motor Vehicle	☐ 380 Other Personal	<b>710</b>	Fair Labor Standards	☐ 861 HIA		Exchange	2111007
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☐ 210 Land Condemnation	☐ 441 Voting	510 Motions to Vacate		Other Labor Litigation		s (U.S. Plaintiff	☐ 893 Environmental Ma	
220 Foreclosure	442 Employment	Sentence	D 791	Empl. Ret. Inc.		efendant)	☐ 894 Energy Allocation	
<ul><li>230 Rent Lease &amp; Ejectment</li><li>240 Torts to Land</li></ul>	443 Housing/ Accommodations	Habeas Corpus:  ☐ 530 General		Security Act	□ 871 IRS-	-Third Party SC 7609	☐ 895 Freedom of Informa Act	ation
245 Tort Product Liability	☐ 444 Welfare	535 Death Penalty		IMMIGRATION		30 7007	900Appeal of Fee Deter	rmination
290 All Other Real Property	445 Amer. w/Disabilities -	540 Mandamus & Other		Naturalization Application	on		Under Equal Access	
	Employment	☐ 550 Civil Rights ☐ 555 Prison Condition		Habeas Corpus -			to Justice	
	Other	D 333 Filson Condition		Alien Detainee Other Immigration			<ul> <li>950 Constitutionality of State Statutes</li> </ul>	
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VI. CAUSE OF ACTI	ON Brief description of ca							
VII. REQUESTED IN		IS A CLASS ACTION		MAND \$			if demanded in complaint	
COMPLAINT:	UNDER F.R.C.P.					URY DEMAND:	☐ Yes Ø No	•
VIII. RELATED CAS	F(S)							
IF ANY	(See instructions):	JUDGE Irma E	. Gonza	lez	DOCKE	T NUMBER 11	-cv-00114 IEG (PC	OR)
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